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Advertising Age

Crain's International Newspaper of Marketing · In Three Sections · Section 1 · $2.00 a copy

P&G's first Soviet TV spot

By Laurie Freeman and Laurel Wentz

Procter & Gamble Co. is slated to introduce itself and its brands to the Soviet people in a 12-minute commercial airing tomorrow on Soviet TV.

The spot will precede a televised performance in Moscow of the John F. Kennedy Center's National Symphony Orchestra conducted by the renowned cellist Mstislav Rostropovich.

While P&G's commercial isn't the first by a Western marketer to run on Soviet TV, it's believed to be the longest ever by a Western advertiser there. Visa International, PepsiCo, McDonald's Corp. and American Express Co. have been running spots on Soviet TV for several years.

Gamma/Liaison

M. Rostropovich

The commercial features several P&G brands, including Pampers disposable diapers, Tide laundry detergent, Vidal Sassoon haircare products, Crisco cooking oil and Ivory soap.

The company now only markets Alo detergent, Crest and Blend-a-Med toothpastes and Camay soap there in limited quantities.

The purpose of the commercial is to introduce the company and its wide variety of brands. That way, when P&G expands the number of products it markets, consumers will already be familiar with them.

The concert is expected to air live Feb. 13 at 7:30 p.m. on one of the two national channels. The potential TV audience is 118 million. The concert is the first of four in

(Continued on Page 56)

LAST MINUTE NEWS

Shakeup at KFC?

LOUISVILLE, Ky.—PepsiCo is preparing a major "housecleaning" at Kentucky Fried Chicken Corp., including replacing some high-level regional and corporate executives, sources said. President John Cranor and Senior VP-Marketing William McDonald—PepsiCo veterans who joined KFC last year—aren't seen as vulnerable, despite the unit's report last week of a 12% earnings decline to $28.5 million for 1989's fourth quarter. A KFC spokesman last week said no announcement of management changes was anticipated. National agency Young & Rubicam, New York, already is on thin ice; Mr. McDonald recently said he's taking a "wait and see" position on the agency's status (AA, Jan. 15).

Health ad policy advances

WASHINGTON—The Food & Drug Administration will be free to crack down on food health claims with publication this week of its long-awaited policy on health claims. The policy was finally released by the White House Office of Management & Budget last week. The policy would only allow marketers to make claims in six specific areas, such as high fiber preventing health disease, with occasional exceptions (AA, Jan. 29). There will be a 60-day public comment period before the FDA issues a final policy later this year. The new policy replaces a 1987 proposal giving marketers a green light for making health claims. It never got OMB approval.

Carnation drops O&M

LOS ANGELES—Carnation Co. last week pulled about $12 million in spending from Ogilvy & Mather and consolidated virtually all its advertising at Interpublic Group of Cos. agencies. McCann-Erickson Worldwide here was assigned infant formulas and Contadina Fresh pastas and sauces while Lintas:New York, is expected to pick up Grand Gourmet dog food, all from O&M. Carnation said the Bloom Agency, Dallas, which handles some smaller brands, will keep its assign-

(Continued on Page 8)

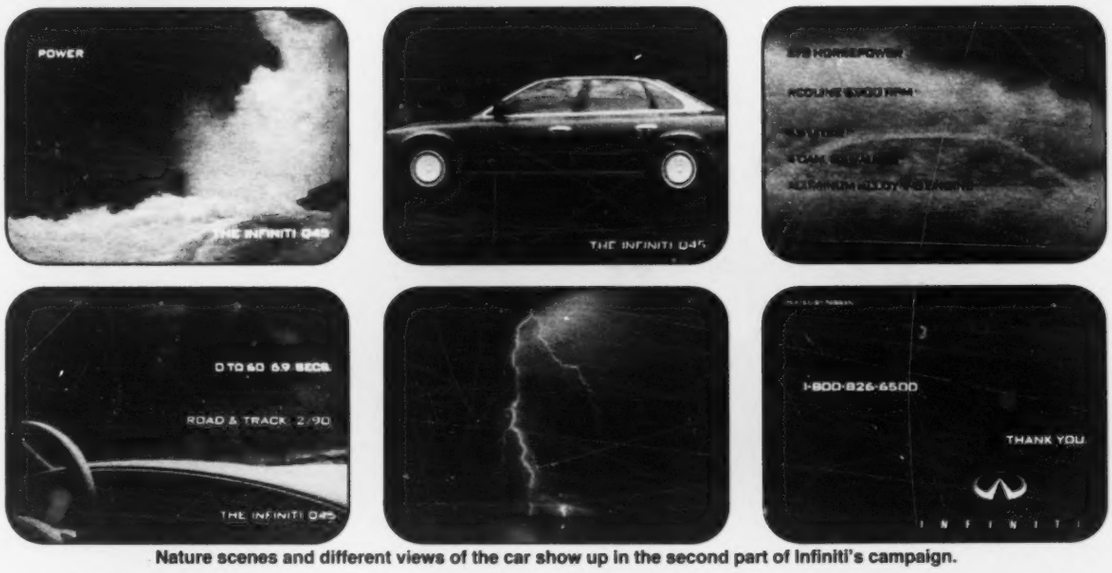
INSIDE

FTC closeup ..... **P. 3**
Chairman Janet Steiger talks with *Ad Age* about restoring confidence in the FTC.

Less is more ..... **P. 31**
Philip Morris may try to pump up denicotinized Next cigarette sales by adding more nicotine.

Whittle withdrawal ..... **P. 54**
Special Reports loses the strong support of several charter subscribers.

Infiniti finally shows its cars



Nature scenes and different views of the car show up in the second part of Infiniti's campaign.

By Cleveland Horton

The Infiniti ads are changing.

The upscale division of Nissan Motor Corp. USA today begins a new "personality" phase of its unconventional $60 million-plus ad campaign, and it's sure to start tongues wagging again (*see Ad Review on Page 58*).

"This is an evolution," said David Hubbard, national advertising manager for Infiniti. "We're moving in a direction to position the vehicles better . . . while tying into the equity we have from the nature campaign."

The new-style TV spots, which begin airing in 36 markets, carry over the nature scenes of the initial launch effort, interspersing them with shots of the cars.

But what really stands out is the unusual nature of the spots. Even though the new campaign comes closer to traditional car advertising than the previous

(Continued on Page 56)

Y&R plea-bargains Jamaica case

By Jon Lafayette

A document discovered at the 11th hour has turned around a federal racketeering and bribery case against Young & Rubicam.

Charges against the agency and Arthur Klein, New York office president, in the Jamaica tourism case were dropped last week as the result of a plea bargain.

Under the agreement, Y&R pleaded guilty to a felony conspiracy charge. U.S. District Judge Peter Dorsey fined the agency $500,000 and put Y&R on probation. The agency also may be asked to perform community service.

A perjury charge against another Y&R executive remained pending, as did racketeering and conspiracy charges against two Jamaicans indicted along with Y&R—Arnold Foote Jr., an ad executive, and Eric Anthony Abrahams, former Minister of Tourism.

Y&R had been accused of conspiring to bribe Mr. Abrahams to win the country's tourism account in 1981. Y&R was fired from the $6 million-to-$8 million account after the indictments were handed down by a federal grand jury in October.

The account is still under review, and a decision is expected soon. In the running are FCB/Leber Katz Partners; N W Ayer; Cliff Freeman & Partners; Jordan, McGrath, Case & Taylor; McCann-Erickson Worldwide; and Tromson-Monroe, all New York; and Burrell Advertising, Chicago.

Settlement discussions began the night of Feb. 7; jury selection was slated to begin the following day.

"As we were all preparing for trial, the defendants came forward with a document which we had subpoenaed two years ago," said U.S. Attorney Stanley Twardy. "It was a conversation between Mike Slosberg, a former employee of their company and a cooperating individual in the case, and Robin Moore [an author acquainted with Jamacian officials]. And a transcript of that conversation was extremely exculpatory, meaning it gave evidence that Klein and in turn Spangenberg [Thomas Spangenberg,

(Continued on Page 56)

Disney move may slow theater ads

By Marcy Magiera

Walt Disney Co.'s move to stop in-theater advertising is causing media buyers to rethink their use of the silver screen.

"We've found [in-theater advertising] very successful, because we've created specific commercials to run in movie theaters," said Richard Weigand, senior VP-Toyota media operations at Saatchi & Saatchi DFS/Pacific, Torrance, Calif. "But this would shed a whole new light on it. . . . It could limit the number of desirable movies" with which to run commercials, he said.

Toyota Motor Sales USA has advertised in theaters for five years.

"As far as we are concerned, as buyers of media to reach consumers, we have sufficient confidence in cinema advertising," said John Sisk, senior VP-director of network negotiations, J. Walter Thompson, New York. "But now we will certainly keep an eye on it to see if [the Disney move] has a deleterious effect." JWT handles advertising for Eastman Kodak Co. and the U.S. Marine Corps, both of which advertise in theaters.

Disney last week announced a new policy prohibiting theaters from running paid screen advertising before movies distributed under the Disney, Touchstone Pictures or Hollywood Pictures banners.

The policy is effective March 23, with the release of Touchstone's "Pretty Woman."

"We have been told repeatedly by moviegoers that they do not want and will not tolerate commercial intrusion in movie theaters," Richard Cook, president of Disney's Buena Vista Pictures Distribution, said in a statement.

"Bottom line, the marketplace should decide whether or not advertising belongs in movie theaters."

"With this new policy, we are seeking the help of exhibition in giving the ticket buyers what they want and further differentiating the theatrical motion picture experience from that which they can experience in their own homes," he said.

Exempted from Disney's policy are theatrical trailers, slides projected during intermission and ads for approved charitable purposes.

It's still unclear whether the other major studios will support Disney's policy.

Columbia Pictures Entertainment, Paramount Pictures Corp. and 20th Century Fox Film Corp. all refused comment. Universal Pictures and MGM/UA didn't return calls.

Screenvision Cinema Network, a 5,700-screen system that places the bulk of advertising in U.S. theaters, is expected to be effected most by the Disney policy.

Screenvision executives last week defended the commercials' entertainment value and insisted consumers are in favor of in-theater advertising.

"Bottom line, the marketplace should decide whether or not advertising belongs in movie theaters," Terry Laughren, Screenvision chairman-ceo said in a statement. "And from the reactions we get from advertisers, exhibitors and, most importantly, audiences, the answer is a resounding 'yes.' "

Screenvision sold about $25 million in ad time in 1989. It charges advertisers $20,000 per thousand viewers for a 60-second spot or $600,000 to $700,000 for a 28-day flight, for which it guarantees 31 million viewers.

Cineplex Odeon Corp., which runs ads on its 1,800-plus screens in North America, wouldn't comment. □

Wayne Walley contributed to this story.

Murdoch salon plan set

By Scott Donaton

News Corp.'s Murdoch Magazines plans to launch an ad-supported video network for beauty salons.

The Salon Network, to make its debut in June, is a series of videocassettes distributed to beauty salons equipped with their own TVs and VCRs. The featured editorial material will come from Murdoch publications.

This is the latest attempt by a media company to reach a captive audience in an uncluttered advertising environment. The idea was pioneered by Whittle Communications, which is planning TV programming for physicians' waiting rooms and school classrooms.

But Murdoch's system will face competition from a host of magazines created specifically for beauty salon customers, including one being prepared by Whittle.

Salon Network will be tested in more than 3,000 salons nationwide. Murdoch will distribute three every-other-monthly, two-hour videocassettes this year; salon owners will be required to air them at least twice daily.

Each two-hour tape will have a maximum of 30 minutes of ad time.

In 1991, the project will expand to 5,000 to 7,000 salons and its frequency will increase to monthly.

Each cassette will feature three to four separate programs focused on such topics as health, beauty and fashion. Material for the programs will be drawn from various Murdoch titles.

The tapes will carry general consumer advertising as well as ads for beauty and haircare products available only in salons.

"We're targeting the fairly large amount of time available to salon customers," said Phillip Cassidy, director of special projects for Murdoch Magazines. "The time women spend in beauty salons is the best and most appropriate time to reach them. They're relaxed, comfortable and indulging in themselves."

R. Murdoch

Murcoch is taking several steps to avoid much of the controversy stirred by similar Whittle projects. Unlike Whittle, Salon Network's cost-per-unit is said to be relatively low and the system won't lock advertisers into long-term commitments. And, unlike Whittle, Murdoch won't try to limit the number of competing media vehicles in salons.

Murdoch also said it will provide advertisers in-depth audience research after the test is completed. Advertisers in Whittle's *Special Reports* have complained of the lack of adequate audience research (*see story on Page 54*).

Those participating in the test will pay $20,000 per 30-second unit. Mr. Cassidy said he expects a total of 2.4 million impressions per tape for a cost-per-thousand of $8.33.

When the network expands next year, the cost-per-spot will more than double to between $40,000 and $50,000 with the added distribution, he said. Ad time will be sold spot by spot.

The system primarily will target beauty and fashion advertisers, "but we expect interest in everything from credit cards to automobiles," Mr. Cassidy said.

Media buyers for the most part were enthusiastic about the project as an ad vehicle.

"Obviously, captive audiences have been identified as something advertisers want," said Alan Jurmain, exec VP-media director, Scali, McCabe, Sloves, New York.

"This is the hot thing, finding these audiences and sticking media in front of them."

Whittle is planning to launch *American Style* magazine later this year or in 1991. The national beauty salon book would replace the company's *Southern Style*. That magazine, launched in 1987, folded last year after its sole sponsor, Procter & Gamble Co., backed out.

Agency sources said *American Style* will carry multiple sponsors; Whittle executives refused comment.

In March, Communications Venture Group will unveil *Confetti*, six themed, every-other-monthly magazines that will be distributed primarily through department store salons. It will be launched in 4,000 shops.

Advertisers' minimum commitment is 18 pages per year at $540,000.

Confetti and *American Style* will compete against 2-year-old *Cameo*, an oversized trade/consumer every-other-monthly from Pygmalion Publications. □

IN THIS ISSUE

NEWS

Bunny bash: Warner Bros.' Bugs Bunny is being showered with promotions and marketing tie-ins in honor of the cartoon rabbit's 50th birthday. **6**

United front: Alcohol marketers try to unite to fight the growing anti-alcohol movement. **16**

"First" falloff: *First for Women* appears to be driving advertisers away with steep rate increases. **20**

Ad gimmicks: Some publishers are giving in to complaints about unusual ad placements. **32**

Changes brewing: Anheuser-Busch changes Budweiser and Bud Light ads as sales growth slows. .. **51**

VIEWPOINT

Considerations **34**
Editorials **34**
Brady's Bunch **37**
Forum **37**
Letters **38**
James Brady **40**
The Next Trend **40**
Joe Winski **40**

Marketing to Hispanics
Can the Hispanic market escape the language ghetto? High-ticket advertisers are caught in the web of choosing Spanish- or English-language media.

MEDIA

MediaWorks **41**

INTERNATIONAL NEWS

Global Gallery **43**

PEOPLE

PeopleWorks **46**
People Moving **46**
Photo Review **47**

Infiniti infuriates TV viewers again with a new ad that finally reveals the automobile, but in such quick and partial shots it's impossible to piece together a full image.

U.S. NewsWatch **12**
Corrections & Clarifications **38**
Classified **48**
For the Record **53**
Index to Advertisers **58**

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SPECIAL REPORT

Marketing to Hispanics

Edited by Therese Kauchak

And Galavision makes three..... S-2
Azcarraga back in the network TV hunt in a battle that some see getting ugly.

Numbers game gets serious..... S-4
With advertising dollars at stake, all eyes are on Nielsen ratings test.

Networks gain upper hand..... S-6
Independent Spanish radio stations' signals grow weaker as networks expand.

Sound principles..... S-10
Singer Gloria Estefan congas her way cross cultures.

Missing the language ghetto

Advertising in Spanish reaches a crossroads

By Ed Fitch

Christmastime '89, and Jose Bohorquez has decided a microwave is the perfect gift for his daughter.

The first generation immigrant from Medellin, Colombia, who speaks primarily Spanish at both home and work, doesn't turn to Spanish media for hints on what brand to buy. Mr. Bohorquez says he doesn't use Spanish media.

For hints on what microwave to buy, he turns to his son, John J., who also doesn't use Spanish media. In fact, his wife is the only one of Mr. Bohorquez's 14-member household, which covers three generations, to use Spanish media.

And therein lies the crux of the problem facing the Spanish-language advertising and media market, one that raises serious questions concerning its long-term potential.

As the immigrant generation ages and its sons and daughters are reared as U.S. citizens, learn English in U.S. schools, speak English—or even Spanish like Mr. Bohorquez—in the workplace, will the market survive the population boom that spawned it?

Certainly. Immigration patterns from Mexico and Central and South America show no signs of abating, providing Spanish-language media, agencies and corporate America with a steady influx of consumers who seek information and entertainment primarily in Spanish.

But this phenomenon creates what could be termed a Spanish-language advertising ghetto, comprised of lower-income prospects that advertisers consider suitable targets only for basic, need-driven products.

An intensifying push by Spanish-language media to target high-ticket advertisers has met with limited success.

When asked to reveal what categories of advertisers are on their hit lists, Univision Network's Senior VP-Sales Raul Torano and Telemundo Group's Senior VP-Marketing and Sales Gary McBride offer virtually the same list as did John Pero when asked the same question four years ago as the head of Univision's sales team. The targets remain: automobiles, cosmetics, financial services—even more package goods.

A canvass of Spanish-language agency heads, discussing growth potential for this year (AA, Dec. 18), reveals they are pinning their hopes on increased spending by existing Hispanic market advertisers, rather than from new clients that fueled the market's growth in previous years.

The danger of that approach rests in what Richard Dillon, president of Mendoza, Dillon & Asociados, calls the "$1 million ceiling."

In a speech last October at the *Advertising Age* 1989 Hispanic Media and Marketing Conference, Mr. Dillon told an audience comprised of Hispanic media, agency and advertisers that client companies see $1 million as the maximum needed to promote a brand effectively in the market.

Interpreting corporate spending reports from *Hispanic Business* indicates leading Hispanic market advertisers—with one notable exception—are not about to push spending levels significantly higher. In fact, they indicate the market has stalled.

The top 10 Hispanic market advertisers last year—a company had to spend only $4.6 million to qualify for this distinction—spent $86.8 million in 1989, up 11% from the previous year.

Eliminate from the computation Procter & Gamble Co.—the market's leading advertiser, which boosted its '89 budget 40.9% to $29.3 million—and the combined spending of the remaining top 10 advertisers rose

(Continued on Page S-16)

Troy Thomas

BAROMETER

Take a number

Hispanic market ad expenditures

Year	In millions	% change
1989	$583.6	15.3%
1988	506.1	12.0
1987	451.9	23.0
1986	367.4	19.0
1985	308.7	17.0

Source: *Hispanic Business*

Take the pulse

Considering much of this Special report deals with the crossover market, Barometer casts its jaundiced eye at the cultural swapping taking place between the Hispanic and mainstream markets. Hey, 'mano. Catch you on la calle.

Paul Rodriguez . . . *Que pasa, Pablo!?* Not even the Super Bowl telecast could help "Grand Slam." It's a strikeout. We're hoping your Univision talk show offers some redemption.

Lambada . . . "The dance craze that's sweeping the nation." More like the hype craze that's sweeping the media.

Linda Ronstadt . . . So, is she a Stone Pony? A Pirate of Penzance? Or *una cantora*? The Queen of Crossover.

Mexican food . . . Our apologies to gourmands such as Patricia Quintana, who raises the cuisine to exquisite new heights, but most Americans' idea of Hispanic food is Taco Bell.

Crossover spots . . . Spanish-language spots for Pepsi on the Grammys, Coke on American Music Awards. We laud the attempt, but Spanish spots have found their English-language ghetto.

South American art . . . Peruvian weavings hit Spiegel catalog. The Southwestern decorating craze just took a marked turn south.

And Galavision makes three

Azcarraga back in the hunt for the multimillion-dollar Spanish-language TV game in a battle that some see getting ugly

By Anne Moncreiff Arrarte

OUTLOOK TV

Sports may be Emilio Azcarraga's latest hobby, but TV is clearly his passion.

While his *The National* daily sports newspaper attempts to win over U.S. sports fans, the revamping of his Galavision Network promises to throw the Spanish-language TV business into turmoil.

On March 1, Galavision will begin its expansion from a basic cable network—with part-time broadcast affiliate KWHY-TV, Los Angeles—to a regional broadcast network serving Hispanics in California, Texas, Arizona, New Mexico and Illinois.

Mr. Azcarraga, who owns Mexican media conglomerate Televisa and its U.S. subsidiary, Univisa Inc., apparently has been champing at the bit to charge back into the Spanish-language network TV business following his sale of Univision Network to Hallmark Cards for $286 million: The two-year, no-compete agreement he signed with Hallmark expires this month.

Galavision now takes on both Univision and Telemundo Group, leading industry watchers to wonder whether the market can grow to support a third network player. What appears more likely is a bitter battle for audience share and the $119.6 million spent in Spanish-language network TV in 1989, according to *Hispanic Business*.

Backed by Televisa's formidable financing and programming, Galavision steps into the fray at a particularly opportune time.

Market-leading Univision suddenly has revealed Achilles' heels. Early this month, it failed to make interest payments of about $10 million, citing a cash-flow problem. The network also was hit by a strong ratings performance by Telemundo in Strategy Research Corp.'s November 1989 sweeps.

Because Telemundo's recent surge came primarily at Univision's expense, it indicates the three networks will fight for the same advertiser dollar.

Univisa President Fernando Diez Barroso disagrees, saying when KWHY entered the Los Angeles market last April, the total number of households watching Spanish-language TV increased.

That gain shows Galavision's entrance will not have a negative impact on the other networks, he says.

Galavision's arrival might be beneficial, says J. William Grimes, president-ceo of Univision Holdings. "We now have a model in Los Angeles of what happens [with three of us] in a market. According to Arbitron, the combined share of viewing has grown. If Galavision adds viewership to Spanish-language TV, that's good."

Henry Silverman, former Telemundo president-ceo—he resigned to join investment banker Blackstone Group on Feb. 2—is slightly more guarded.

"I don't think Galavision is necessarily bad news," he says. "Telemundo has always anticipated competition. We never thought we and Univision would end up alone."

Meg Bernot, VP-media director, Publicidad Siboney, New York, challenges the assumption the viewing audience will grow.

She analyzed the shifts in the Spanish-language network audience over the past four sweeps periods—when Telemundo was adding second stations to many markets for the first time—and found very little growth in the two networks' audience as a percentage of total TV viewing.

"There probably will be a fragmentation of the existing audience among the three," Ms. Bernot says.

Despite Mr. Diez Barroso's magnanimous statement concerning his competitors, Galavision appears to be poised to eat Telemundo's lunch.

Ms. Bernot discovered that Telemundo, while programming the No. 1 stations in both Los Angeles and Chicago, is extremely vulnerable to a strong challenge in those markets. "Chicago viewing represents 14% of its audience and Los Angeles is another 37%," she says. "That's not very good news for them."

As goes Telemundo's performance in those two markets, so goes the network. And Galavision —through Televisa and its Protele distribution arm—is programming specifically for predominantly Mexican-American markets such as Los Angeles and Chicago.

Doug Goodman

First-run programming at KWHY excites Univisa President Fernando Diez Barroso.

The battle lines are being drawn, with both Telemundo and Univision banking on an assimilated Hispanic community and investing heavily in U.S.-produced programming.

The fight may well get ugly. "The premise of Mexican programming doesn't fly on a big scale," says one competing network executive.

"Televisa's ego is so big they believe all Mexican-Americans will watch what they watched in Mexico; that ignores the reality in the U.S."

"Televisa's ego is so big they believe all Mexican-Americans will watch what they watched in Mexico; that ignores the reality that in the U.S. there is a choice. Life changes once people get here. Even in Los Angeles, Galavision is a solid third."

Mr. Diez Barroso credits KWHY's third-place showing to it having run only "reruns of reruns that have aired on the other two networks." Beginning next month, KWHY will be programmed with first-run *novelas*, news, entertainment, information, sports and movies produced by Televisa.

A programming agreement with Univision gives it first option on 50% of Televisa's U.S.-distributed first-run programming. However, Televisa creates six hours of first-run *novelas* daily, leaving Galavision to choose from the remaining first-run products.

"Galavision has a tremendous advantage in terms of programming," says Ms. Bernot.

Buyers are watching Galavision with interest and an open mind. Even without first-run programming, "they're doing quite respectably in Los Angeles," says Nancy Tellet, VP-media director, Conill Advertising, New York.

The niche market concept of the Galavision network, she adds, could be very successful. "On a local level, we will purchase if the [demographics] are correct.

"On a network buy, a lot will depend on Galavision's performance as a network. But anyone who puts out a good product for the Hispanic market, and markets it well, will succeed," she says.

Still, both Univision and Telemundo are moving in another direction. "Our experience is that using all Mexican programming does not work," says Univision President Joaquin Blaya. Programming must be a blend of *novelas* from Latin America and locally produced programs appealing to bilingual Hispanics, he says.

Mr. Silverman agrees, saying the network is up to 45% U.S.-produced programming, and ratings have grown 61%.

Mr. Diez Barroso counters that the two networks are simply doing what they must as a national service: Program for the masses and across nationalities. He maintains this programming is less effective because it loses some national ethnicity in the process.

"We're talking about leisure time when watching TV. And we're talking about being at home," he says. "I'm a U.S. Hispanic by definition, but when I'm home, I am a Mexican."

Cost also is a problem for the networks relying on U.S.-produced programming. "When we buy or produce in the U.S., it costs significantly more than what we can get out of Latin America," says Mr. Grimes.

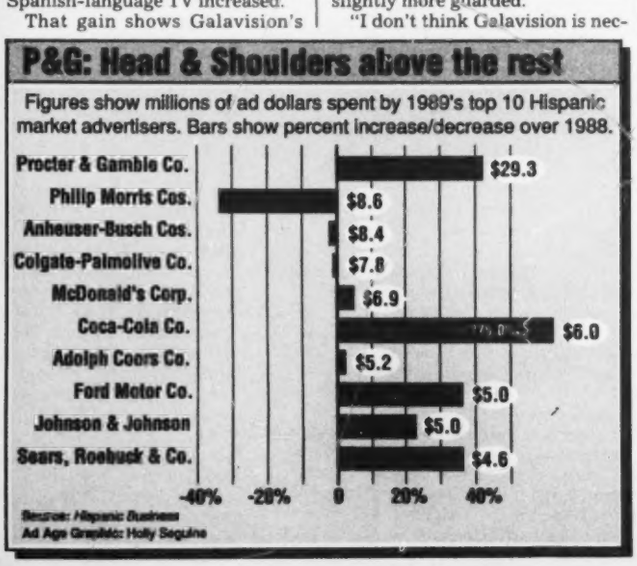
The cost factor could become an issue for Univision following its interest payment shortfall. Emma Carrasco, VP, director-communications and advertising, says the company's debt will be restructured and it will have no impact on programming plans. "It's business as usual," she says.

Mr. Grimes adds that U.S. programming is worth the cost. "Advertisers tell us they want their ads run in programs that look modern and address the needs of the U.S. Hispanic market."

Mr. Diez Barroso says if U.S.-produced programming costs are four times higher than picking up available Latin American products, ratings for those shows should be four time higher to break even. "And we're not seeing that happen," he says.

Ms. Bernot says Galavision may give Telemundo fits before all is said and done. "Five years down the road," she says, "my gut reaction is Univision will have about a 50% share of audience and the other half will be split between Telemundo and Galavision." □

Anne Moncreiff Arrarte is a frequent contributor to Advertising Age's *Perspectivas section.*



New York, Colorado scrutinize scanners

By Nan O'Neal

Retailers may think the customer's always right, but the scanner isn't.

Electronic checkout scanners are under scrutiny in Colorado and New York, where the state departments of agriculture are taking measures to protect consumers from pricing errors. Studies in the two states found scanners made pricing errors on 0.4% to 7.4% of items scanned.

As a result, the Colorado Department of Agriculture has begun monitoring scanners just as it regulates food retailer scales.

And the New York Department of Agriculture has extended through June 1991 a regulation requiring retailers to put prices on all individual items. The regulation was set to expire in December 1989, but consumer complaints about scanner errors prompted the state's study.

Research company executives say they're concerned when a scanned price differs from a posted shelf price.

"We're very interested in price accuracy," said Ken Silvers, VP-systems and production/advertising at Arbitron/SAMI. Marketers tracking promotions are concerned with consumers' sensitivity to price, which can be affected by scanner price errors.

Arbitron watches for erratic changes in a product's historic price, as well as possible errors in product movement, and contacts retailers when it detects errors. Most errors are probably caused by checkers misusing scanner equipment, Mr. Silver said.

The InfoScan service of Information Resources Inc. has found pricing errors occur 2% of the time by following a history of scanned prices rather than shelf prices, said Magid Abraham, group president-marketing and product development at the company. InfoScan tracks scanner information from 2,700 grocery stores across the U.S.

New York monitored grocer scanners during October and November and found 32 out of the 33 food stores surveyed had at least two to eight errors per 500 items, an error rate of 0.4% to 1.6% per order, said Mary Ann Waters, agriculture department public affairs information specialist.

Colorado's three-week January survey monitored scanning equipment in 197 discount department stores, grocery store chains and independent grocers. It found errors occurred in discount stores on 7.4% of tallies, with overcharges averaging $2.66; in independent grocery stores, 4.2%; and in grocery chain outlets, 1.6% with average overcharges of 35¢ for all grocers.

The errors are probably caused by careless or tardy entry of price changes in stores' computers, said Steven Horn, Colorado commissioner of agriculture. □

Solve an attitude problem

By Laurie Freeman

A research method devised by new-products consultancy Kane Bortree & Associates could make every product a star.

STAR—Segmentation Through Attitudinal Restructuring—is designed to help marketers avoid new products that are indistinguishable from competitors'.

The new method uses consumer attitudes rather than traditional demographic segmentation as the basis for new-product concepts and strategies. The company contends people's attitudes on themselves, their health, their homes and other areas are better indicators than age, sex and income when it comes to determining what consumers want.

"Traditional segmentation isn't specific to a product category. With STAR, we start with a category and group consumers by the different attitudes that drive their purchasing behavior," said Chet Kane, president of the New York-based company.

Coca-Cola Foods used STAR to refine marketing for pulp-free Minute Maid.

STAR "is a system for predicting what the consumer is likely to do in the future, not study past events. Our goal is to help marketers identify trends and develop products that can hold market share over time," Mr. Kane said.

Participants in focus groups are asked questions about their attitudes on a variety of subjects; their responses are analyzed for clues on developing brand strategies or new products.

Coca-Cola Foods used STAR to refine marketing for Minute Maid Pulp Free orange juice, introduced last year.

"Given the high costs of new-product introductions, slotting allowances and packaging design, we need to know how consumers will react to products in order [for us] to spend money in the proper way. Trying to operate without consumer attitude research is like trying to drive without a roadmap," said Dan Schafer, Coca-Cola Foods manager of communications.

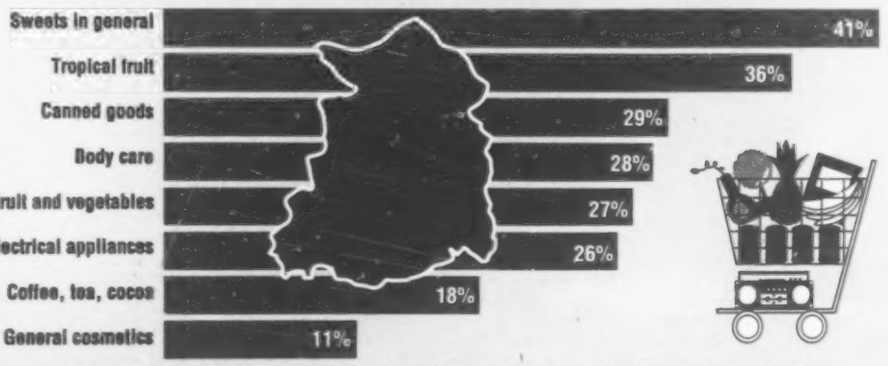
He said research showed a significant number of consumers prefer pulp-free juice—some even strained it. This finding prompted the No. 1 orange juice marketer to develop Pulp Free.

Procter & Gamble Co. is using STAR on several projects including marketing Ivory soap. P&G's use of STAR with focus groups confirmed "some quantitative research we already had done independently," said Brand Manager Dave Palfernier. □

FACTS AT A GLANCE

Products preferred by East German citizens

By percentage of shoppers visiting West Germany the first two weekends after the Berlin Wall fell.



Source: Nielsen Marketing Research and the Link & Partner Institute. Figures for Nov. 10-12 and 17-19. Ad Age graphic: Holly Seguine

RESEARCH BRIEFS

Research companies merge: Erdos & Morgan/MPG, New York, has been formed by the merger of Erdos & Morgan and Marketing Projects Group. MPG founder Pat Botwinick is president of the new company; former Erdos President Paul Erdos is chief operating officer. Address: 116 E. 27th St., 10016. Phone: (212) 685-9393.

Brown-Forman taps M/A/R/C: Brown-Forman Beverage Co., Louisville, Ky., has named M/A/R/C Database Marketing, Irving, Texas, to handle research for its Spirits & Wines Division. M/A/R/C has designed a consumer data base using information gathered from past promotions and will work with Brown-Forman ad agencies to use the information in future direct-marketing efforts.

Club offers scholarship: The Media Research Club of Chicago this spring will award a $2,000 scholarship through a new program designed to make advertising students more aware of media research's role. The competition is open to graduate and upperclass undergraduate students attending Midwestern schools; applicants must write an essay on four media research companies and their methodologies. Applications must be postmarked no later than March 26. Department heads and students can contact Helen Katz at (312) 861-0200.

People moving: **Jeffrey Greenberg**, 33, to exec VP, a new post at Information Resources, Wayne, N.J., from senior VP. He continues as group account manager of client services. . . . **Cynthia Evans** to VP-manager, Midwestern region, a new post at Mediamark Research, Chicago, from director of media research, Tatham-Laird & Kudner. Also at Mediamark: **Anne Grenier** to manager, Western region, San Francisco, from sales executive. She succeeds **Mark Thomas**, who left. . . . **Timothy F. Prior**, 41, to director of marketing research, a vacant post at Lennox Industries, Dallas, from director of research, M/PF Research. . . . **Helene Sashin** to director of project staff, a new post at NPD Group, Port Washington, N.Y., from director of business intelligence, Dunham & Marcus, New York. . . . **Tom Nolte** to senior research analyst, a new post in the healthcare research group of Total Research Corp., Princeton, N.J., from research associate, Opinion Research Corp. Also at Total Research: **Marilyn Heebink** to project manager overseeing account management and field project service, a new post, from sales representative, American List Council. . . . **Ming-Hong Huang**, 34, to director of statistical services, a new post at Decision Analyst, Arlington, Texas, from statistical consultant.

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Name Quest™
The Science of Name Creation

A-B tries to bolster Bud, Bud Light

By Ira Teinowitz

Anheuser-Busch has made changes in the Budweiser and Bud Light ad campaigns in the face of bad news about its two main brews.

Last year brought an end to Budweiser's 14-year growth streak and saw Bud Light's growth rate cut in half.

On the Super Bowl telecast Jan. 28, A-B introduced a new theme line for its flagship brand, "Nothing beats a Bud," supplanting the 10-year-old "This Bud's for you."

The company said the change has nothing to do with Budweiser's stagnating sales.

"We felt it was time for a fresh look," said Tom Sharbaugh, Budweiser group brand director.

Although the new theme from D'Arcy Masius Benton & Bowles, St. Louis, will generally replace "This Bud's for you," the old theme will be used occasionally, he said.

As for Bud Light, the brand's growth rate fell to 9.4%, down from 18.5% in 1988. And that was half the 18% growth rate for rival Coors Light from Adolph Coors Co.

Coors, in fact, is claiming Coors Light has passed Bud Light as No. 3 behind Budweiser and Miller Lite from Miller Brewing Co. A-B officials privately disputed the claim.

Already, Bud Light has rushed to make some changes to its advertising, though spokesdog Spuds MacKenzie won't be brought back in any major capacity. Spuds will do occasional TV spots, but there's little secret A-B has elected to downplay the dog in part because he's become an unwelcome lightning rod for complaints about beer advertising and minors.

Instead, A-B is moving to give Bud Light a deeper imagery and is adding a secondary campaign aimed at young adults.

The secondary effort, featuring a truck that appears out of nowhere and brings along a party, broke before the Super Bowl. DDB Needham Worldwide, Chicago, handles.

"The new campaign is aimed at reinforcing our upbeat image," said Senior Brand Manager Bob Lachky. "Wherever the truck goes, the good times roll."

There's little secret A-B has elected to downplay [Spuds] in part because he's become an unwelcome lightning rod for complaints about beer advertising and minors.

A-B blames many of last year's problems on price-cutting by rivals rather than advertising. The company has said it's prepared to match the discounting this year.

And, despite the Bud problems, A-B's beer volume grew 2.8% last year and its market share was up one point to 42.1%, the company said last week.

As for Coors, the main "It's the right beer now" effort for Coors Light won't change much this year. But more secondary and regional promotions are coming.

Foote, Cone & Belding, Chicago, is the agency.

Coors is expected to hike its budget for Coors Light about 10% to about $45 million, while A-B appears to be cutting back on spending (AA, Feb. 5).

The Coors Light subcampaigns will feature Leslie Nielsen in a continuing role.

While happy with Coors Light, officials are less sanguine about the 19.7% dropoff in the regular Coors beer figures. That brand's 5.1 million barrels in shipments last year is down 29% from 7.2 million barrels just two years ago.

But Coors officials, at least for the moment, are saying the decline occurred primarily in the first half and was turned around with the alteration of the flagship's campaign from GSD&M, Austin, Texas.

With sales down, Coors this year will concentrate more heavily on spot TV rather than network campaigns, said Don Marable, Coors brand manager.

Miller's big success story last year was Genuine Draft, which sold 4.7 million barrels, up 20.5% from 1988. The brand passed A-B's Michelob to become the No. 10 beer.

Genuine Draft is starting to feature celebrities in some of its advertising from Backer Spielvogel Bates, New York.

Miller High Life declined again but at a slower pace—some initial good news for Chicago-based Leo Burnett USA's "Give that man a Miller" campaign.

Also, Miller did well with Milwaukee's Best popular-price beer, which passed regular Coors to become the nation's No. 8 beer. Frankenberry, Laughlin & Constable, Milwaukee, handles.

Stroh Brewery Co.'s one entry in the top 10, Old Milwaukee, slid 2.9% last year to 6.8 million barrels. Grey Advertising, New York, handles. □

Top 10 beer brands for 1989

Figures are in millions of barrels shipped.

Brand	1989	1988	% chg
Budweiser	50.35	50.45	(0.2)
Miller Lite	19.90	19.30	3.1
Coors Light	10.50	8.90	18.0
Bud Light	10.50	9.60	9.4
Busch	9.10	8.65	5.2
Miller High Life	7.75	8.35	(7.2)
Old Milwaukee	6.80	7.00	(2.9)
Milwaukee's Best	6.25	5.70	9.7
Coors	5.10	6.35	(19.7)
Miller Genuine Draft	4.70	3.90	20.5
Top 10 brands total	**130.95**	**128.20**	**2.1**

Source: Beer Marketer's Insights

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GM plans spur layoffs at Lintas:C-E

WARREN, Mich.—Lintas:Campbell-Ewald has laid off 15 staffers in a belt-tightening move prompted by General Motors Corp.'s ad budget cutbacks.

The reductions were across various departments and shouldn't affect any services the agency performs for GM's Chevrolet division or other clients, said Richard O'Connor, chairman-ceo of the agency, a unit of Interpublic Group of Cos.' Lintas:USA.

The cuts represent about a 2% reduction, leaving the agency here with a staff of about 700. Mr. O'Connor said the shop is also offering early retirements and making cuts in non-personnel areas.

Lintas:C-E handles more GM business than any other agency, an estimated $400 million-plus in billings including Chevrolet, GMAC, Delco Electronics and AC-Delco.

With GM suggesting its units trim first-half 1990 ad budgets by 25%, the agency could lose about $50 million in billings.

So far, no layoffs have been announced at other GM agencies. Leo Burnett USA, Southfield and Chicago, handles Oldsmobile; D'Arcy Masius Benton & Bowles, Bloomfield Hills, has Cadillac and Pontiac; and McCann-Erickson Worldwide, Troy, handles Buick and GMC Truck. □

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